

# Assembly Hearing Slip

(Please print plainly)

Date: 8/22/01  
Bill No. AB 454  
Or  
Subject \_\_\_\_\_

Name REP. NEAL KENZIE  
Street Address or Route Number ROOM 307 NORTH  
City and Zip Code \_\_\_\_\_

Representing \_\_\_\_\_

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

**Please promptly return this slip to the messenger at the committee.**

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: Aug 22, 2001  
Bill No. AB 454  
Or  
Subject Tax exemption

Name Mel Sensesbrenner  
Street Address or Route Number 4701 GOLDFINCH DR.  
City and Zip Code MADISON WIS 53714

Representing State engineers Assoc.  
No Position at this time

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: Steve Warner  
Bill No. AB 454  
Or  
Subject \_\_\_\_\_

Name Steve Warner  
Street Address or Route Number 340 Covee  
City and Zip Code MADISON W. 53029

Representing W. Prof. Police Assoc.  
No position at this time

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

AB 454 ~~AB 254~~

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# Assembly Hearing Slip

(Please print plainly)

Date: 8/22/2001  
Bill No. AB 454  
Or  
Subject \_\_\_\_\_

Name Samantha Stargie  
Street Address or Route Number Room 109 - West State Capitol  
City and Zip Code Madison, WI 53708  
Representing State Representative

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: Aug 22, 2001  
Bill No. 454  
Or  
Subject \_\_\_\_\_

Name Rep Judy Kaucer  
Street Address or Route Number 2294 Monticello Rd  
City and Zip Code Shelbyville, IN  
Representing \_\_\_\_\_

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

AB 454

VERY PRICEY!!!

10 states full exempt (incl ILL) (6 Mich)  
17 states give partial exempt

Folks that leave the state to escape the tax.



State Representative  
**Neal J. Kedzie**

43rd Assembly District

August 22, 2001

Assembly Committee on Ways and Means  
State Representative Michael Lehman, Chair  
RE: Assembly Bill 318 and Assembly Bill 454

Dear Chairman Lehman and Committee members,

Thank you for your consideration of two bills I am proud to author: Assembly Bill 318 and Assembly Bill 454. For the sake of expediency, I would like to address both bills in this letter.

If enacted, Assembly Bill 318 will create a graduated tax exemption for taxpayers 65 and older. Under current law, an individual tax exemption of \$700 for taxpayers and their spouses exists. Taxpayers who reach the age of 65 may claim an additional exemption of \$250.

Assembly 318 increases the tax exemptions for taxpayers and their spouses who reach a certain age before the close of a taxable year. For taxpayers and their spouses between the age of 65 and 69, current law is maintained. For those between the age of 70 and 74, the exemption would be increased to \$300; and, for those 75 and older, the exemption would be increased to \$350.

Assembly Bill 454 is very straightforward. If enacted, all federally recognized pension and retirement income will be exempt from state taxes. Specifically, Assembly Bill 454 includes all qualified pension, profit-sharing, and stock bonus plans under the Internal Revenue Code (IRC), deferred compensation plans offered by state and local governments and tax-exempt organizations under the IRC, self-employed plans, tax-sheltered annuities, plans that are not qualified under the IRC, and individual retirement accounts.

Both Assembly Bill 318 and 454 will create financial security for all Wisconsin senior citizens and retirees. I believe both measures are positive steps towards real tax relief and greater financial freedom.

Again, Thank you for your time and consideration.

Sincerely,

**Neal Kedzie**  
State Representative  
43rd Assembly District

**Vice Chair:**  
State Affairs  
Small Business & Consumer Affairs



**Member:**  
Colleges and Universities  
Health  
Natural Resources  
Veterans & Military Affairs

## JUDY KRAWCZYK

STATE REPRESENTATIVE • 88TH ASSEMBLY DISTRICT

**MEMO TO:** ASSEMBLY WAYS AND MEANS COMMITTEE MEMBERS  
REP. MICHAEL LEHMAN – CHAIR

**FROM:** REP. JUDY KRAWCZYK

**DATE:** AUGUST 20, 2001

**RE:** ASSEMBLY BILL 454

Thank you for the opportunity to appear before you today in support of Assembly Bill 454. I would like to especially thank Rep. Lehman for holding a timely hearing on this proposal.

We have all heard the news stories which continually remind us that Wisconsin is one of the highest taxed states in the country. Unfortunately, our per capita wealth is not one of the highest in the country and as a result our taxpayers have less of their own money to pay for needed expenses. This is especially true as it relates to our senior citizens since most live on fixed incomes.

In Wisconsin, most public and private pension income is taxed if the income was not previously taxed when the employee set the funds aside for retirement. However, some state and local retirement plans are exempt from state taxation. For example, all pension payments received by state residents who were members of or retired from certain public pension systems prior to 1964 are exempt from tax under state law.

This legislation would exclude all pension income from the Wisconsin income tax. It would help move Wisconsin in line with our neighboring states. Illinois excludes 100% of retirement income and Iowa allows those over 55 and the disabled to exclude up to \$5,000 for an individual and \$10,000 per couple filing a joint return. In Michigan, 100% of retirement income from public sources is excluded, and up to \$34,170 for an individual and \$68,340 for a couple filing a joint return of private pension money is excluded.

It's estimated the average tax decrease under the plan would amount to \$736. We should be encouraging our seniors to remain in Wisconsin when they retire and this proposal would help in this regard. It would also help reduce the overall tax burden in the state, which is too high given our ability to pay.

Again, thanks for the opportunity to appear before you today.

**Office:** P.O. Box 8952, State Capitol • Madison, Wisconsin 53708-8952  
(608) 266-0485 • Fax: (608) 282-3688 • Toll-Free: (888) 534-0088 • Rep.Krawczyk@legis.state.wi.us

**District:** 2294 Manitowoc Road • Green Bay, Wisconsin 54311 • (920) 469-4364



**Fiscal Estimate Narratives**  
**DOR 7/9/01**

LRB Number 01-3369/3	Introduction Number AB-454	Estimate Type	Original
<b>Subject</b> Individual income tax exemption for all pension income			

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, the pension benefits of certain public employees are exempt from state taxes, including individuals who were members of or retired from the following plans as of December 31, 1963: U.S. Civil service or military, Milwaukee city and county, Milwaukee police officers and public school teachers, Wisconsin state teachers' retirement fund, and Milwaukee County sheriff's annuity and benefit fund.

This bill expands the current exemption to include previously non-exempt pension income for all retirees, public and private, provided that the filer's pension income is not already exempt from taxation. The proposed exemption would include all distributions from pension, profit-sharing, and stock bonus plans, deferred compensation plans, self-employed plans, non-qualified retirement plans, and individual retirement accounts (IRAs).

{ Based on a simulation using the 1999 Wisconsin Individual Income Tax Model, this bill would reduce revenues by \$356 million annually. This estimate assumed that all social security retirement benefits would also be exempt under this bill; if this is not the case, the proposal would reduce revenues by \$286.5 million annually. }

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-3369/3		<b>Introduction Number</b> AB-454	
<b>Subject</b>			
Individual income tax exemption for all pension income			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		\$	\$
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-356,000,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		\$	\$-356,000,000
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
<b>NET CHANGE IN COSTS</b>		\$	\$
<b>NET CHANGE IN REVENUE</b>		\$-356,000,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Meredith Krejny (608) 261-8984		Dennis Collier (608) 266-5773	7/9/01